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21 May 1962

MEMORANDUM FOR: Comptroller

SUBJECT : Maintaining Close Touch

1. There are three major areas in which the Comptroller is concerned with financial problems that require review and policy decisions:

- A. Those affecting a division of the Comptroller's Office. These are the methods and procedures used in processing documents and the interpretations for personnel working with those documents.
- B. Those affecting two or more components of the Comptroller's Office. An example is the maintenance of cost records which involves practically every division and staff to assure uniformity of approach and the development of useful and valid data. Also, as another example, any instruction concerning payroll involves at least the Finance, Fiscal, and Automatic Data Processing Divisions.
- C. Those affecting several offices or the entire Agency. The budget procedures and requirements typify this area.

2. To achieve the best possible results with minimum confusion and delay calls for maintaining "close touch" with those concerned. In other words, try to resolve difficulties or problems in advance of official issuances. Over the last few years we developed an approach which I believe did much to expedite decisions and keep people "in the know." It operates as follows:

- A. In the first area, division and staff chiefs are responsible for reviewing their own internal operations and making the necessary changes. They keep the Comptroller informed through the weekly report. Any proposed divisional policy that might conflict with Comptroller or Agency policy is discussed with the Comptroller prior to adoption.
- B. For the office as a whole approach, a Comptroller Policy Planning Group was established in June 1958, "in order to facilitate, coordinate, and formalize the adoption of policies and position" on matters having a financial implication. (See attached Comptroller Notice No. 7-58.) Although the group has not met consistently during the last two years, it has provided a valuable

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service in presenting thoroughly analyzed evaluations to the Comptroller on subjects such as property control, cost accounting, and financial reporting.

- C. To consider Agency wide problems, a Comptroller Financial Advisory Committee was established around March 1960. (See Attached). This committee, consisting of representatives of the major components of the Agency, reviewed current financial practices and any proposals that had application throughout the Agency. The single allotment study, a cost-based budget procedure, and a financial reporting survey were the major subjects undertaken. This committee provided an "Agency attitude", served as "sponsor" of certain conclusions, and developed many side questions and observations that assisted in strengthening the Comptroller program in the Agency.

3. I assume the division approach is operative. The Policy Planning Group and the Financial Advisory Committee have ceased to function mainly because of organizational and personnel changes. These groups did much to develop and maintain the "close touch". This essential to "teamwork" and the cooperative spirit needs bolstering. I know there is not enough time for everything but I strongly recommend that consideration be given to revitalizing the "close touch" by either reemphasizing the need for these groups to continue meeting or to develop a substitute for them.



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